

# Board of Tax Appeals

Analyst: Hancock

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2005 Total App</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Approp</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
General	333,700	331,600	334,300	435,900	340,500
Dedicated	0	0	9,300	0	12,600
<b>Total:</b>	<b>333,700</b>	<b>331,600</b>	<b>343,600</b>	<b>435,900</b>	<b>353,100</b>
Percent Change:		(0.6%)	3.6%	26.9%	2.8%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	269,700	268,300	279,800	355,600	276,700
Operating Expenditures	64,000	63,300	63,800	73,100	71,200
Capital Outlay	0	0	0	7,200	5,200
<b>Total:</b>	<b>333,700</b>	<b>331,600</b>	<b>343,600</b>	<b>435,900</b>	<b>353,100</b>
Full-Time Positions (FTP)	4.00	4.00	4.00	5.00	4.00

## Division Description

The Board of Tax Appeals (section 63-3801, Idaho Code) provides taxpayers the opportunity to appeal their ad valorem assessed valuations from a county board of equalization or tax decisions from the Idaho State Tax Commission. The three member Board of Tax Appeals provides an opportunity for appellants and respondents to present testimony and evidence at a quasi-judicial board hearing rather than through a district court trial which can necessitate legal representation and expense.

# Board of Tax Appeals

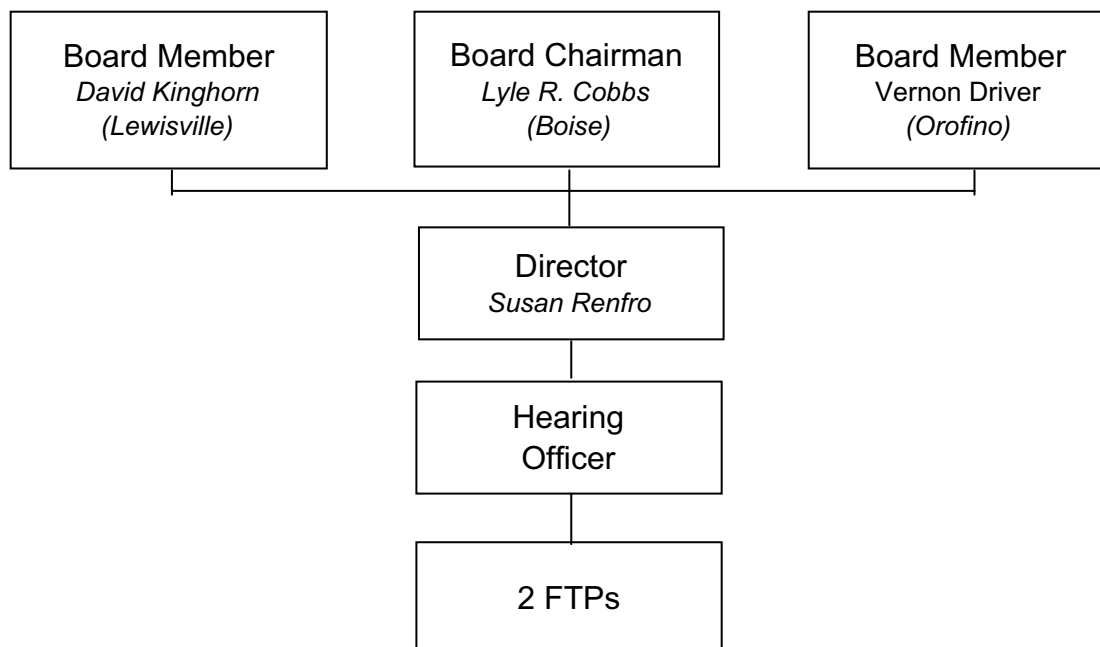
## Agency Profile

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### Selected Measures

	FY 2003 Act	FY 2004 Act	FY 2005 Act	FY 2006 Est
<b>1. Conduct hearings in a timely manner</b> 100% of the hearings of those wishing to be heard are conducted by the end of the fiscal year.	100%	100%	100%	100%
<b>2. Issue decisions in a timely manner</b> 100% of the Board's cases are completed by the end of the fiscal year (Except those requested to be held in abeyance).	100%	100%	100%	100%
<b>3. Issue decisions in a timely manner</b> The average time between hearing and rendering of the decision is no more than 85 days.	106 days	101 days	117 days	95 days
<b>4. Total Number of Tax Appeals</b>	427	292	275	290
<b>5. Appeals Granted</b>	20	18	41	
<b>6. Decisions Modified</b>	31	33	22	
<b>7. Appeals Denied</b>	73	98	81	
<b>8. Appeals Settled/Withdrawn/Dismissed</b>	264	143	131	

### Organizational Chart



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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2006 Original Appropriation</b>	<b>4.00</b>	<b>334,300</b>	<b>343,600</b>	<b>4.00</b>	<b>334,300</b>	<b>343,600</b>
HB 395 One-time 1% Salary Increase	0.00	2,100	2,100	0.00	2,100	2,100
Omnibus CEC Supplemental	0.00	0	0	0.00	2,500	2,500
<b>FY 2006 Total Appropriation</b>	<b>4.00</b>	<b>336,400</b>	<b>345,700</b>	<b>4.00</b>	<b>338,900</b>	<b>348,200</b>
Removal of One-Time Expenditures	0.00	(2,100)	(11,400)	0.00	(2,100)	(11,400)
<b>FY 2007 Base</b>	<b>4.00</b>	<b>334,300</b>	<b>334,300</b>	<b>4.00</b>	<b>336,800</b>	<b>336,800</b>
Benefit Costs	0.00	3,600	3,600	0.00	(5,400)	(5,400)
Inflationary Adjustments	0.00	700	700	0.00	700	700
Replacement Items	0.00	5,200	5,200	0.00	0	5,200
Statewide Cost Allocation	0.00	2,300	2,300	0.00	2,300	2,300
Change in Employee Compensation	0.00	2,200	2,200	0.00	4,100	4,100
Nondiscretionary Adjustments	0.00	2,500	2,500	0.00	2,000	2,000
<b>FY 2007 Program Maintenance</b>	<b>4.00</b>	<b>350,800</b>	<b>350,800</b>	<b>4.00</b>	<b>340,500</b>	<b>345,700</b>
1. Employee Retirement Transition	0.00	36,300	36,300	0.00	0	5,000
2. Administrative Assistant	1.00	38,300	38,300	0.00	0	0
3. Hearing Officer Pay	0.00	4,400	4,400	0.00	0	0
4. Legal Assistant Pay	0.00	3,300	3,300	0.00	0	0
5. Administrative Rules	0.00	400	400	0.00	0	400
6. Communications Costs	0.00	1,000	1,000	0.00	0	1,000
7. Copier Maintenance	0.00	1,400	1,400	0.00	0	1,000
<b>FY 2007 Total</b>	<b>5.00</b>	<b>435,900</b>	<b>435,900</b>	<b>4.00</b>	<b>340,500</b>	<b>353,100</b>
Change from Original Appropriation	1.00	101,600	92,300	0.00	6,200	9,500
% Change from Original Appropriation		30.4%	26.9%		1.9%	2.8%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2006 Original Appropriation</b>	4.00	334,300	9,300	0	343,600
<b>HB 395 One-time 1% Salary Increase</b>					
Reflects a one-time 1% Change in Employee Compensation (CEC) increase.					
Agency Request	0.00	2,100	0	0	2,100
Governor's Recommendation	0.00	2,100	0	0	2,100
<b>Omnibus CEC Supplemental</b>					
Agency Request	0.00	0	0	0	0
The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.					
Governor's Recommendation	0.00	2,500	0	0	2,500
<b>FY 2006 Total Appropriation</b>					
Agency Request	4.00	336,400	9,300	0	345,700
Governor's Recommendation	4.00	338,900	9,300	0	348,200
<b>Removal of One-Time Expenditures</b>					
Removes funding provided for HB395, the 27th pay period, and other one-time items.					
Agency Request	0.00	(2,100)	(9,300)	0	(11,400)
Governor's Recommendation	0.00	(2,100)	(9,300)	0	(11,400)
<b>FY 2007 Base</b>					
Agency Request	4.00	334,300	0	0	334,300
Governor's Recommendation	4.00	336,800	0	0	336,800
<b>Benefit Costs</b>					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.					
Agency Request	0.00	3,600	0	0	3,600
Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs. However, the change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.					
Governor's Recommendation	0.00	(5,400)	0	0	(5,400)
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 1.9% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	700	0	0	700
Governor's Recommendation	0.00	700	0	0	700

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Replacement Items</b>					
Replacement Items include six digital recorders (\$2,700), six microphones (\$400), 15 xD picture cards (\$1,100), four transcription kits (\$800), and three CD players (\$200).					
Agency Request	0.00	5,200	0	0	5,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,200</i>	<i>0</i>	<i>5,200</i>
<b>Statewide Cost Allocation</b>					
Statewide Cost Allocation includes increases in Attorney General fees (\$1,900) and State Controller fees (\$400).					
Agency Request	0.00	2,300	0	0	2,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,300</i>	<i>0</i>	<i>0</i>	<i>2,300</i>
<b>Change in Employee Compensation</b>					
Calculated cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	2,200	0	0	2,200
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,100</i>	<i>0</i>	<i>0</i>	<i>4,100</i>
<b>Nondiscretionary Adjustments</b>					
Nondiscretionary Adjustments include increased travel costs in the areas of in-state lodging and airfare.					
Agency Request	0.00	2,500	0	0	2,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,000</i>	<i>0</i>	<i>0</i>	<i>2,000</i>
<b>FY 2007 Program Maintenance</b>					
Agency Request	4.00	350,800	0	0	350,800
<i>Governor's Recommendation</i>	<i>4.00</i>	<i>340,500</i>	<i>5,200</i>	<i>0</i>	<i>345,700</i>
<b>1. Employee Retirement Transition</b>					
This line item would provide one-time funding for a transition period, in which the board would like to train the replacement of the board's Hearing Officer, who is retiring after 13 years. Funding this item would allow the board to double-fill the position for nine months.					
Agency Request	0.00	36,300	0	0	36,300
<i>The Governor recommends one-time funding from the Economic Recovery Reserve Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,000</i>	<i>0</i>	<i>5,000</i>
<b>2. Administrative Assistant</b>					
This line item would enable the board to get back to the level of authorized staffing that it had in place prior to the budget reductions of recent years (although the fifth authorized position was never actually filled). The board's administrative assistant position was reclassified as a Legal Assistant in FY 2005. Funding this position would provide \$36,300 in ongoing funding, \$2,000 in one-time funding, and would again provide the board with a full-time administrative assistant.					
Agency Request	1.00	38,300	0	0	38,300
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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<b>3. Hearing Officer Pay</b>					
This request relates to the board's reclassification of a Legal Assistant to a Hearing Officer. The reclassification actually took place in FY 2005, and involved an increase in pay grade, from H to K. The incumbent is currently being paid the minimum for Grade K. This request would provide a merit increase of 10%, to reflect that FY 2007 will be the third year in which the incumbent has performed the job well.					
Agency Request	0.00	4,400	0	0	4,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>4. Legal Assistant Pay</b>					
This request relates the board's reclassification of an Administrative Assistant to a Legal Assistant. The reclassification actually took place in FY 2005, and involved an increase in pay grade, from F to H. The incumbent is currently being paid the minimum for Grade H. This request would provide a merit increase of 10%, to reflect that FY 2007 will be the third year in which the incumbent has performed the job well.					
Agency Request	0.00	3,300	0	0	3,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>5. Administrative Rules</b>					
The recent re-write of the board's administrative rules included the incorporation of additional Administrative Procedures Act material. This addition increased the size of the board's rules by one-third, resulting in an annual fee increase, from \$800 to \$1,200.					
Agency Request	0.00	400	0	0	400
<i>The Governor recommends one-time funding from the Economic Recovery Reserve Fund.</i>					
Governor's Recommendation	0.00	0	400	0	400
<b>6. Communications Costs</b>					
Costs have increased in the areas of postage and long distance phone use. Postage increases are due, in part, to the postal rate increase. Increased phone charges are the result of increasingly complex cases, which require more phone and fax time to communicate with board members. Two the three board members live outside the Boise local calling area.					
Agency Request	0.00	1,000	0	0	1,000
<i>The Governor recommends one-time funding from the Economic Recovery Reserve Fund.</i>					
Governor's Recommendation	0.00	0	1,000	0	1,000
<b>7. Copier Maintenance</b>					
The re-write and re-printing of the board's administrative rules resulted in increased use of the copy machine. Other reasons for increased use include cases appealed to District Court, and following the requirements of the Rules of Civil Procedure. Increased use results in increased copier maintenance charges from Xerox. The \$1,400 increase was effective in FY 2005.					
Agency Request	0.00	1,400	0	0	1,400
<i>The Governor recommends one-time funding from the Economic Recovery Reserve Fund.</i>					
Governor's Recommendation	0.00	0	1,000	0	1,000
<b>FY 2007 Total</b>					
Agency Request	5.00	435,900	0	0	435,900
Governor's Recommendation	4.00	340,500	12,600	0	353,100

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<i>Agency Request</i>					
Change from Original App	1.00	101,600	(9,300)	0	92,300
% Change from Original App	25.0%	30.4%	(100.0%)		26.9%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	6,200	3,300	0	9,500
% Change from Original App	0.0%	1.9%	35.5%		2.8%